



Las Vegas

Land 22Q2

Key Takeaways

- Residential land dominated sales this quarter
- Sales volume reached \$583.1 million
- Land prices remained stable



Land Sales Strong at Midyear

Land sales remained stable in the second quarter of 2022, with residential land dominating among land-types and industrial sales falling off significantly. The average price per square foot for land in the Valley changed little to \$11.43 psf from \$11.48 psf. On a year-over-year basis, the average price of land increased by \$2.49 psf.

Market Indicators



Historic Comparison

	21Q2	22Q1	22Q2
Commercial Land Sales (Acres)	136.2	160.1	238.4
Commercial Land Price Per Square Foot	\$16.20	\$17.40	\$19.12
Industrial Land Sales (Acres)	444.3	495.9	179.7
Industrial Land Price Per Square Foot	\$5.93	\$8.27	\$12.68
Residential Land Sales (Acres)	255.1	402.0	753.0
Residential Land Price Per Square Foot	\$10.35	\$13.08	\$8.70

Market Graph



The wave of land sales that began in the third quarter of 2020 and peaked a year later appears to now be in decline

Development



Industrial
 Logistcenter
 At Miner's Mesa
 96.51 acres | P/C



Industrial
 Switch
 SuperNAP
 62.7 acres | U/C



Industrial
 Logistcenter at
 I-15 South
 52.6 acres | U/C



Industrial
 Warm Springs
 Commerce Center
 46.4 acres | P/C



Industrial
 SunPoint
 West
 39.3 acres | U/C



Industrial
 ProLogis I-15 Speedway
 Logistics Center III
 38.93 acres | U/C

Land

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Commercial Land

Occupancy in commercial buildings increased to 92.1% in the second quarter of 2022. A total of 135,810 square feet of new commercial space was completed on 11.4 acres this quarter. An additional 1.39 million square feet of office and retail product on 121.9 acres is scheduled to be delivered over the next four quarters.

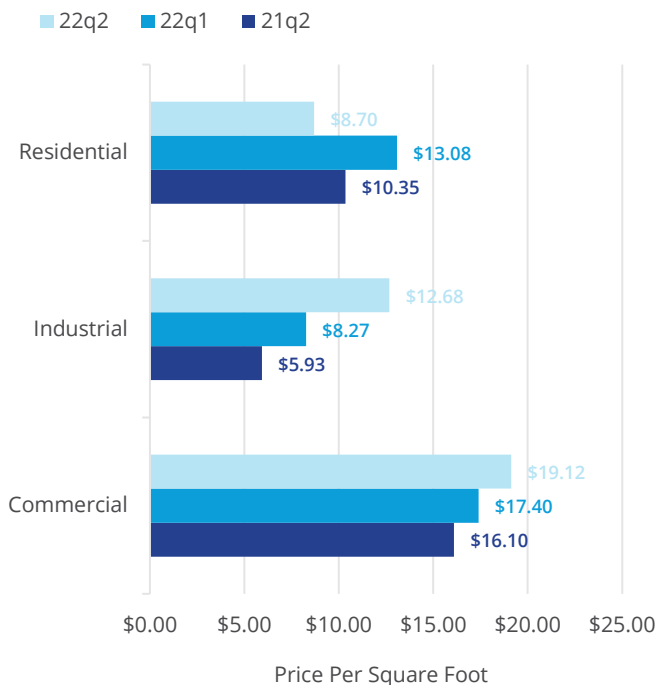
Hotel occupancy in the second quarter of 2022 averaged 83.3%. The hospitality sector had 534 new rooms planned or under construction on 101.32 acres.

In the second quarter of 2022, a total of 238.4 acres of commercial land was sold with a sales volume of \$198.5 million. The average price of commercial land was \$19.12 psf, an increase from \$16.10 psf one year ago.

Commercial land sales peaked in the fourth quarter of 2021, but perked up this quarter compared to last.

Land Price Per SF

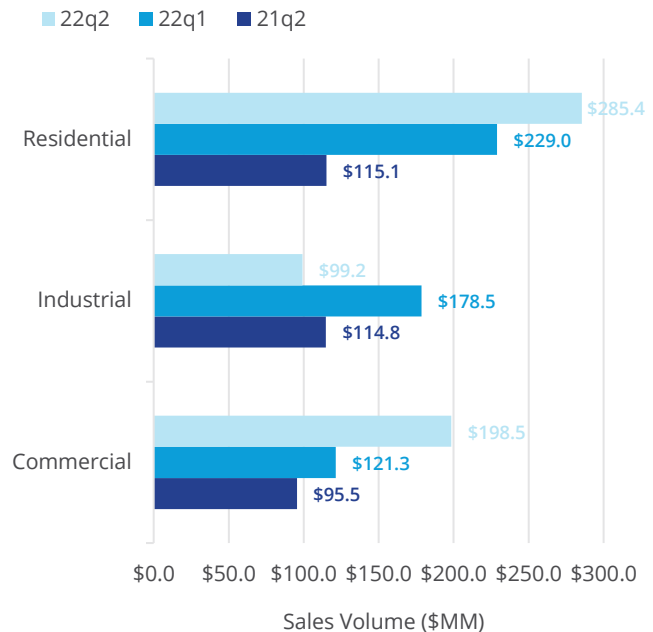
Year-over-year, quarter-over-quarter



Source: Colliers International

Sales Volume

Year-over-year, quarter-over-quarter



Source: Colliers International

Industrial Land

Occupancy in industrial buildings increased to 98.7% this quarter, the highest industrial occupancy we have yet recorded. A total of 753,703 square feet of industrial space was completed on 33.24 acres this quarter. An additional 12.2 million square feet of industrial space on 664.78 acres of land is scheduled to be delivered over the next four quarters.

A total of 179.67 acres of industrial land was sold this quarter, with a sales volume of \$99.2 million. The average sales price of industrial land was \$12.68 psf, an increase from the average sales price of \$5.93 psf one year ago.

Industrial completions have slowed slightly in recent quarters, perhaps due to supply chain and labor market difficulties, but certainly not due to a lack of demand. Just the same, industrial developers are as active as ever, with over 8 million square feet currently under construction. Industrial land sales surged between 2021 and 2022, and now appear to be slowing down.

Land

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Residential Land

New home sales in the first five months of 2022 totaled 5,048 units, a 8.1% increase from the same period in 2021. Existing home sales totaled 16,923 homes in the first six months of 2022, down 12.7% from the same period last year. For comparison's sake, new home sales topped 20,000 units per year from 1999-2006, and a record 38,604 new homes sold in 2005.

Home builders pulled 7,452 residential permits in the first five months of the year, up 4.1% from the same period last year. Multifamily developers had 6,736 units under construction in Southern Nevada, and an additional 1,375 units planned.

Residential land sales totaled 753.02 acres with sales volume of \$285.4 million this quarter. The average sales price of residential land was \$8.70 psf, a decrease from the average price of \$10.35 psf one year ago. Residential land had been selling for over \$10.00 psf for the past four quarters.

Residential land is becoming more scarce in the Las Vegas Valley of late; note that residential land prices averaged \$12.02 psf over the past five quarters, after averaging \$7.20 psf during the previous five. Home prices and multifamily rental rates continue to climb, and developers are less free than industrial developers to move their developments outside of the Valley.

Forecast

The most recent wave of land sales in the Valley continued at midyear, as developers pre-positioned themselves for market expansion in 2023 and beyond.

In-migration into Southern Nevada does not appear to be slowing, and the rise in rental rates – residential and otherwise – and home prices indicate that demand for real estate will remain high. Developers might be waiting for the land market to cool a bit before they jump back into the market in a big way.

As developers return to big purchases, they may soon be confronted by a lack of privately-owned developable land. To use North Las Vegas as an example, the city currently has 12,419 acres of vacant industrial land. Approximately 5,465 of those acres are owned by the federal government. That leaves 6,954 acres of potentially developable industrial land in North Las Vegas, though not all of this land is well-located or sizable enough to support the kinds of industrial projects now in demand.

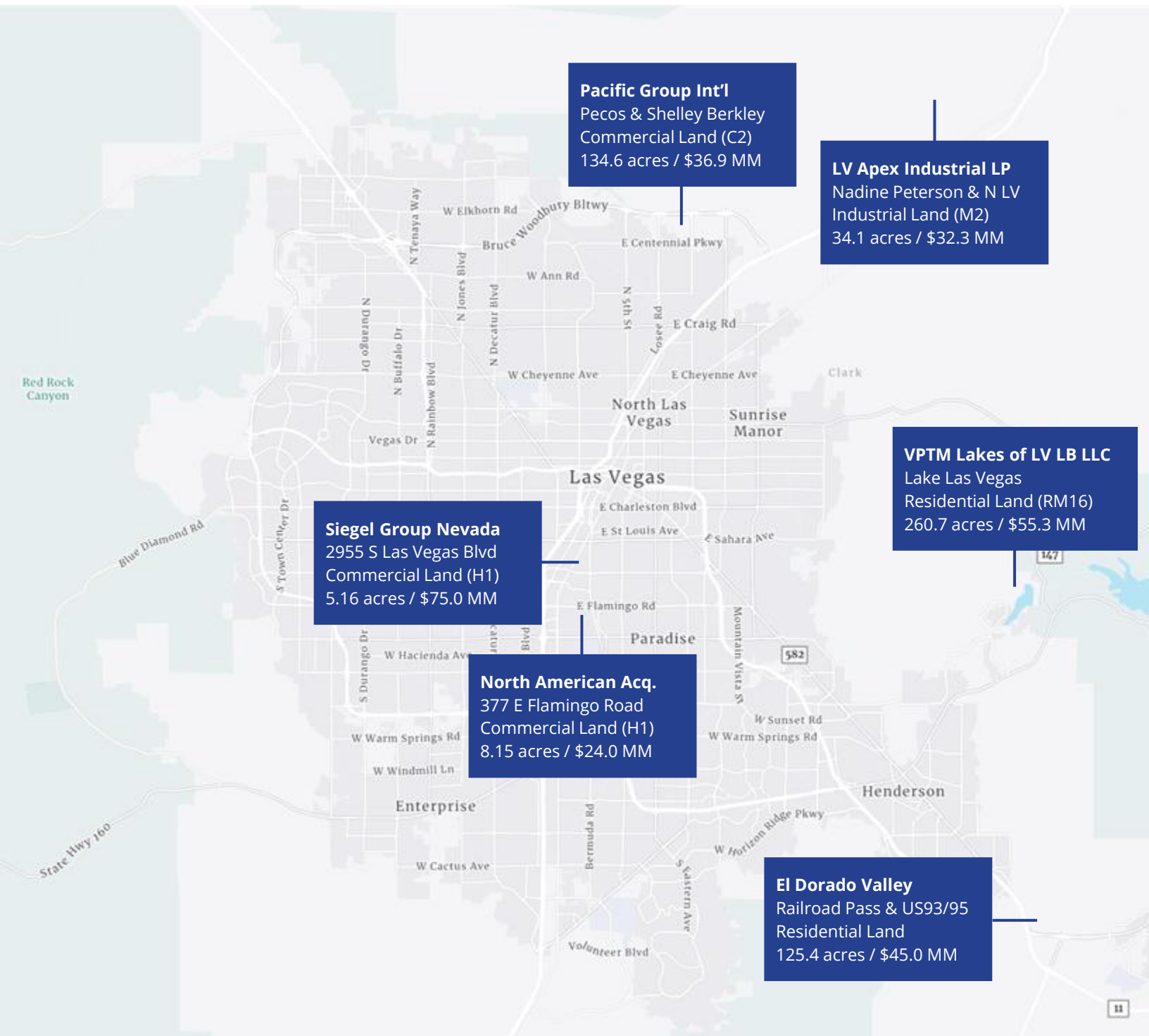
Presently, 566.15 industrial acres are under construction, with another 1,690 acres planned for industrial development. That means that approximately 32% of the privately-owned industrial land in North Las Vegas could be removed from the market over the next two years, and at the rate of current construction, North Las Vegas could be out of industrial land within six to seven years.

Market Health

Data Point	18q2	19q2	20q2	21q2	22q2
Commercial Building Occupancy	88.4%	89.9%	90.2%	90.1%	92.1%
Commercial Future Development (Acres)	718.09	698.34	840.80	875.66	781.38
Hospitality Occupancy	90.3%	91.2%	15.1%	68.3%	83.3%
Hospitality Future Development (Acres)	302.83	262.25	271.09	13.70	101.32
Industrial Building Occupancy	94.7%	96.4%	94.8%	95.6%	98.3%
Industrial Future Development (Acres)	958.68	1,384.17	1,921.87	2,130.87	3,978.73
New Home Sales (Units)	2,752	2,552	2,384	3,076	n/a
Taxable Sales (\$ billions)	\$11.09	\$11.99	\$8.97	\$13.96	n/a
Employment (000's)	1,002.3	1,032.1	796.6	964.3	1,049.5

Source: Colliers International

Sales Activity



Land

22Q2

Submarket	Sales	Square Footage Sold	Acreage Sold	Sales Volume	Average Price Per SF
Airport					
COM	1	110,207	2.5	\$2,500,000	\$22.68
IND	0	0	0.0	\$0	n/a
RES	6	526,641	12.1	\$3,695,000	\$7.02
Total	7	636,848	14.6	\$6,195,000	\$9.73
Apex					
COM	0	0	0.0	\$0	n/a
IND	3	3,270,049	75.1	\$36,938,793	\$11.30
RES	0	0	0.0	\$0	n/a
Total	3	3,270,049	75.1	\$36,938,793	\$11.30
Downtown					
COM	5	433,858	10.0	\$9,649,020	\$22.24
IND	0	0	0.0	\$0	n/a
RES	0	0	0.0	\$0	n/a
Total	5	433,858	10.0	\$9,649,020	\$22.24
East Las Vegas					
COM	3	304,049	7.0	\$6,965,000	\$22.91
IND	0	0	0.0	\$0	n/a
RES	1	131,551	3.0	\$5,750,000	\$43.71
Total	4	435,600	10.0	\$12,715,000	\$29.19
Henderson					
COM	6	827,640	19.0	\$17,733,154	\$21.43
IND	1	886,882	20.4	\$7,100,000	\$8.01
RES	21	21,492,024	493.4	\$141,241,665	\$6.57
Total	28	23,206,546	532.7	\$166,074,819	\$7.16
North Las Vegas					
COM	4	6,165,483	141.5	\$40,460,000	\$6.56
IND	2	1,764,180	40.5	\$24,500,000	\$13.89
RES	4	522,284	12.0	\$5,684,000	\$10.88
Total	10	8,451,947	194.0	\$70,644,000	\$8.36
Northeast					
COM	5	698,267	16.0	\$5,270,000	\$7.55
IND	4	1,610,413	37.0	\$22,658,000	\$14.07
RES	4	1,574,258	36.1	\$19,878,835	\$12.63
Total	13	3,882,938	89.1	\$47,806,835	\$12.31
Northwest					
COM	4	482,645	11.1	\$4,670,000	\$9.68
IND	0	0	0.0	\$0	n/a
RES	18	2,093,587	48.1	\$15,180,320	\$7.25
Total	22	2,576,232	59.1	\$19,850,320	\$7.71
Resort Corridor					
COM	2	579,784	13.3	\$99,000,000	\$170.75
IND	0	0	0.0	\$0	n/a
RES	0	0	0.0	\$0	n/a
Total	2	579,784	13.3	\$99,000,000	\$170.75
Southwest					
COM	6	671,695	15.4	\$11,150,000	\$16.60
IND	3	294,901	6.8	\$8,030,000	\$27.23
RES	36	6,070,779	139.4	\$88,410,626	\$14.56
Total	45	7,037,375	161.6	\$107,590,626	\$15.29
Summerlin					
COM	0	0	0.0	\$0	n/a
IND	0	0	0.0	\$0	n/a
RES	0	0	0.0	\$0	n/a
Total	0	0	0.0	\$0	#DIV/0!
West Las Vegas					
COM	2	108,899	2.5	\$1,090,000	\$10.01
IND	0	0	0.0	\$0	n/a
RES	3	390,298	9.0	\$5,544,309	\$14.21
Total	5	499,197	11.5	\$6,634,309	\$13.29
Grand Total					
COM	38	10,382,527	238.4	\$198,487,174	\$19.12
IND	13	7,826,425	179.7	\$99,226,793	\$12.68
RES	93	32,801,422	753.0	\$285,384,755	\$8.70
Total	144	51,010,374	1171.0	\$583,098,722	\$11.43
Quarter					
22q2	144	51,010,374	1,171.04	\$583,098,722	\$11.43
22q1	143	46,081,440	1,057.88	\$528,793,241	\$11.48
21q4	143	48,928,452	1,123.24	\$544,336,958	\$11.13
21q3	166	71,680,371	1,645.55	\$715,989,689	\$9.99
21q2	88	36,399,956	835.63	\$325,420,834	\$8.94

480 offices in 67 countries on 6 continents

United States: 160
Canada: 49
Latin America: 14
Asia Pacific: 97
EMEA: 108



\$3.3B
in revenue



2B
square feet under management



18,000 +
professionals and staff

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